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6/17/52

June 7, 1952

Opinion No. 52-166

Mr. Warren L. McCarthy
County Attorney
Maricopa County Courthouse
Phoenix, Arizona

Dear Mr. McCarthy:

On May 10, 1952, you addressed this office with the following inquiry:

"May the Housing Authority of Maricopa County purchase insurance from a mutual company?"

and in your letter, referred to an opinion of this office written July 25, 1933 to the effect that school districts may not insure in mutual companies. You also asked our opinion as to whether or not the Housing Authority is a political subdivision.

We wish to advise that it is the opinion of this office that the Housing Authority is a political subdivision. ✓

Answering your primary question, you know that the parts of the Arizona constitutional and statutory law quoted in the opinion of July 25, 1933 are still in full force and effect. A search of our files reveals that since 1933, there have been two occasions when inquiry by a political subdivision about the purchase of mutual form of insurance has been addressed to this office and in both instances, this office reiterated the general principle that the contingent assessment burden of mutual insurance is objectionable.

In further research, we can find no Arizona State Supreme Court decision interpreting the constitutional and statutory laws above referred to in any connection with mutual insurance companies, let alone in the light of any given set of facts or any particular type of either assessable, nonassessable, or paid premium form of policy.

Mr. Warren L. McCarthy
Maricopa County Attorney
Phoenix, Arizona

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We therefore confirm generally the 1933 opinion and hold ✓
that the Housing Authority of Maricopa County may not purchase
insurance from a mutual company.

Returned herewith are the briefs and Public Housing Au-
thority opinion sent with your letter.

Very truly yours,

FRED O. WILSON
Attorney General

JOSEPH A. CROWE
Assistant Attorney General

JAC:d

*Opinion referred
to see
51-101
and
51-232*